



DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-54-2021]

Foreign-Trade Zone (FTZ) 75 – Phoenix, Arizona, Notification of Proposed Production Activity, Nikola Corporation, (Electric Road Tractors and Motor Vehicles), Coolidge, Arizona

Nikola Corporation (Nikola) submitted a notification of proposed production activity to the FTZ Board for its facility in Coolidge, Arizona. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on July 12, 2021.

The Nikola facility is located within Subzone 75M. The facility will be used for production of battery-electric and hydrogen-electric vehicles. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Nikola from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Nikola would be able to choose the duty rates during customs entry procedures that apply to electric road tractors for semi-trailers, and electric motor vehicles for the transport of goods (duty rate ranges from 4.0 to 25.0%). Nikola would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: polyester-based paints; acrylic or vinyl polymer-based paints and varnishes; prepared water pigments; silicone and hydrophilic sealants; pastes (epoxide resin-based; adhesive); instant glues; coolants; thermally conductive greases and pastes; plastic baffle inserts; tubes, pipes,

and hoses (rigid ethylene; rigid propylene; rigid plastic; flexible plastic; not reinforced plastic without fittings; reinforced plastic; not reinforced vulcanized rubber with or without fittings; rubber with fittings reinforced with metal, or textile materials, or materials other than metal or textiles; rubber without fittings reinforced with textile materials, or materials other than metal or textiles); plastic components (brake hose fittings; fittings; lids; caps; plugs; stoppers; plates; bushings; spacers; buttons; clips; ties; gaskets; seals; washers; O-rings; handles; knobs; shrouds; panels; guards; housings; insulators; moldings; protectors; mats; trays; pads; cable supports; brackets; fasteners; covers; capacitors; gap pads; bumpers; bumper covers, end caps, wings, panels, air inlets, grills, fascia, sides, and lower trim); electrical tape; self-adhesive components (strips; tape; rolls of plastic; vitrifiable transfer labels; labels); propylene sheets, plates, foils, strips, and film; cellular polyurethane plates, sheets, and film; synthetic rubber in plates, strips, or sheets; vulcanized rubber components (endless transmission belts; transmission belts; seals; insulators; O-rings; washers; gaskets; grommets; rings; bellows; dampers; diaphragms; boots; clips; cups; mats or cushions; valves; bonnets; covers; insulation; wiper refills; shock absorbers; spring isolators; handles; mounts; bushings; caps; plugs; knobs; stoppers); tires (pneumatic or retreaded pneumatic for use on trucks; solid or cushion); rubber inner tubes; cellular rubber pads and seals; rubber floor mats; cork gaskets and packing; not printed paper or paperboard labels; coated paper or paperboard gaskets and packing; manuals (operational; service; printed); tufted carpet; canvas rain guards; gaskets (graphite; carbon; combined metal and paper, metal and rubber, and metal and plastic); safety glass (tempered; laminated); mirrors (rear view; framed glass); glass lenses for headlamps; glass fiber engine insulation; glass fiber insulators; assemblies (insulation; lock; hinge; caster; oil pump drive spindle; stators or rotor; hose; relief and safety valve; solenoid valve; bearing; flange; drive unit; gear; pulley; clutch; yoke; armature; holder; charger;

converter; rectifier; magnet; lead-acid storage battery; turn signal lamp; heater; buzzer; flasher unit; horn; display; headlamp; LED headlamp; regulator; brush; crossmember; brake; control arm; power steering; steering shaft; thermostat switch; electrical pressure sensor; airflow meter; indicator; speed sensor; hour meter; meter housing; thermostat); wire (zinc-coated or plated; aluminum alloy; magnet); steel components (sheet; mesh; retainer plates; bumper fold-up steps and hooks; bumper beams, cross members, bridges, and reinforcements); iron or steel components (tubes; pipes; fittings with mechanical, push-on, or flanged joints; pipe or tube adapters, joints, or unions; pipe or tube connectors, nipples, and connector assemblies; threaded adapters, connectors, and connector assemblies; cables; roller chain; chain; master chain links; leaf chain; lifting chains; threaded self-tapping screws; machine screws; screws; bolts; threaded bolts or studs; U-bolts; threaded nuts; threaded plugs; spring or lock washers; washers; rivets; collars; split pins; snap rings; cotters; dowels; dowel pins; plug and pin assemblies; woodruff keys; rings; leaf springs; helical springs; springs; links; bands; adjuster bars; caps; clamps; clevis pins; connectors; rods and rod assemblies; bushings; grommets; cable guides; clips; plugs; hose bands; retainer plates); iron or nonalloy steel pipe or tube flanges and flange assemblies; iron, alloy, or nonalloy steel components (threaded couplings or elbows; adapters, connectors, nipples, and connector assemblies); copper components (profiles; bars; rods; plates; foil; threaded tube and pipe fittings; washers; ferrules; gaskets; seals; plugs; pin receptacles; springs; insulated cables or wires); brass components (standoffs; clamps); nickel plates; aluminum components (bars; profiles; rods; wire; plates; sheets; tubes; pipes; tube and pipe fittings; spacers; plugs; connectors; clips; clamps; pins; forgings; capacitors); base metal locks; lock cylinders and keys; locks; ignition keys; hinges; swivel casters; iron, steel, aluminum, or zinc components (hinges; latches; handles; anchors; backing plates; brackets; mountings; fittings); base metal plates; pumps (lubricating or cooling

centrifugal; reciprocating positive displacement; vacuum); electromechanical brake boosters; oil pump housings; brake fluid reservoirs; fans (cooling; vent); compressors and related components (housings; discharge fittings; tubes); breathers; mufflers; fan blades; fan spacers; stators; rotors; air conditioners and related components (motors; fans; valve expansions; condensers); battery components (chillers; isolators; exhaust ducts; sensors); coolant heaters; heat exchangers; heat exchanger coil springs; cooling tubes; filters (air; gas separation); weighing machinery and sensors; fire extinguishers; windshield washer components (reservoirs with motors; nozzles); hoists; winches; jacks; external drive units; hydraulic accumulators; valves (intake; exhaust; oleohydraulic or pneumatic transmission; oil check; pressure relief; hand operated control); dampeners and damper dust boots; valve bodies; coolant manifolds; bearings (ball; roller lift ball; sprocket and flange; wheel; single row spherical roller; needle roller; cylindrical roller; side roller; main); mast side rollers; tapered roller bearings, cones, and cups; bearing components (balls; needles; cones; cups); camper link bushings; sprockets; gears, gear pinions, and gearing; pulleys; clutches; universal joints; yokes; pinion spacers; shims, sleeves, and sprockets; plugs (vent; drain; oil; end); covers for transmission and gearbox components; mechanical seals; motors (electric under 18.65W; AC/DC; DC to an output of 750W; DC of an output from 750W to 75kW; AC multi-phase); window lift mechanisms; armature; motor brush, front, and bearing covers; holders; electric motor carbon brush holders; motor sensor housings; spring brushes; ground terminals; transformers; inverter unit drives; power supplies, inverters, and rectifiers; speed drive controllers; voltage components (regulators; current regulators; advancers; limiters; overload protectors); power inductors; ferrite beads; inverter heat sinks; magnets; sensors (magnet input; occupant detection; pressure; temperature; water temperature; lock or brake; meter; oxygen; air suspension); electromagnetic couplings, clutches, and brakes; lead-acid storage batteries; lithium-ion batteries and

related components (packs; cells; side rails; module insulators); lead acid battery cells; distribution control systems; modules (electrical ignition; damper spring; airbag); condensers; vehicle lighting and headlamps; vehicle visual signaling lighting; vehicle horns; radar detectors; windshield wipers; defrosters and demisters; wiper arms and blades; light bulbs; lenses and lens assemblies for automotive signaling or lighting equipment; water and immersion heaters; microphones; loudspeakers (single; multiple); headphones and earphones; audio amplifiers; speaker grills; park assist and rearview cameras; navigational equipment; GPS tracking devices; radio broadcast receivers; antennae; combination meters and meter panels; indicator panels incorporating LCDs or LEDs; capacitors (fixed; ceramic single layer dielectric; ceramic multi-layer dielectric); resistors (fixed film or composition; fixed; variable); potentiometers; rheostats; thermistors; circuit boards (printed; populated); switches (isolating or make-and-break; push button; knife; rotary; snap-action; slide; limit; electronic); lighting arresters and surge suppressors; connectors (sensor; electrical; battery or charger); connector housings; snap plug receptacles; male and female bullet terminals; fuses; contactors and relays (for a voltage up to 60V; for a voltage over 60V); motor starters; lamp sockets; bus bars; electrical panel insulators; terminal blocks, lugs, and plates; junction boxes; boards, panels, modules, and controllers and control assemblies; switchboards; fuse boxes; contact tips and plates; contactor bases; fuse holders; headlamps; turn indicator, rear turn, reverse, stop, and tail lamps; LED headlamps; diodes; thyristors; LED diodes; transistors; speed controls and speed sensors; dashboard displays; equalizers; wiring harnesses and ignition wiring sets; electrical cables with connectors; brushes; chassis with engines; chassis with engines and cabs; vehicle cabs and chassis; seatbelts; air ducts; fenders and rocker panels; glove compartment doors; hoods; interior door trim and moldings; plastic foam separators and spacers; silicon rubber and plastic vents; seatbelt adjusters; brake components (calipers; cantilevers;

discs; rotors; drums; pads; rotor shields; spacers); mounted brake linings; motor gear cases and boxes; gear shims; axles with differentials; road wheels for motor vehicle use; ball joints; struts; suspension systems; axle damper forks; spindles; shock absorbers; suspension knuckles; ride height sensor drop links; radiators; radiator shrouds; exhaust components (systems; manifolds; silencers); intake systems; clutches; steering components (columns; wheels; boxes; knuckles; gear housing levers); drop links and stabilizer bars; safety airbags; pedals (accelerator; foot); thermometers; water gauges; sensor covers; tube guides for measurement instruments; revolution counters; hour meters; speedometers; tachometers; meter housings; pressure switches (manostats); motor vehicle seats; upholstered metal frame seats; seat backs, cushions, frames, and seating; and, plastic seat foam (duty rate ranges from duty-free to 9.0%).

The request indicates that the following components will be admitted to the zone in privileged foreign (PF) status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items: tufted carpet; canvas rain guards; motor vehicle seats; upholstered metal frame seats; and, seatbacks, cushions, frames and seating. The request indicates that new pneumatic tires, lock washers, aluminum extrusions, and tapered roller bearings and parts are subject to an antidumping/countervailing duty (AD/CVD) order if imported from certain countries. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in PF status. The request also indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: July 13, 2021.

Andrew McGilvray,
Executive Secretary.

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